



Montgomery County, Maryland  
**MODERATELY PRICED  
DWELLING UNIT (MPDU) PROGRAM**  
Website: [www.montgomerycountymd.gov/mpdu](http://www.montgomerycountymd.gov/mpdu)



**SHARED PROFIT CALCULATION REQUEST FORM  
COVER SHEET**

*Instructions: Please complete this form, attach the requested information, and email, mail or fax it to:*

MPDU Program, Department of Housing and Community Affairs  
1401 Rockville Pike, Fourth Floor; Rockville, MD 20852  
Email: [mpdu.intake@montgomerycountymd.gov](mailto:mpdu.intake@montgomerycountymd.gov) ; Fax: 240-777-3691  
Attn: Shared Profit Calculation

**Name of Owner:**

**MPDU Address:**

**Daytime Phone Number(s):**

**Email:**

**Settlement Date:**

**Real Estate Agent:**

**Settlement Agent:**

**Name:**

**Address:**

**Phone Number:**

**Email Address:**

*Please attach the following information and check off appropriate box:*

- ☐ Copy of the Sales Contract (the first page showing the market sales price, and the executed signature page is acceptable). **NOTE: No credits to the buyer for closing cost assistance, for repairs or other are acceptable. If given, the seller will pay for them.**
- ☐ Copy of Listing Agreement (submit only first page and page showing commission rate). **NOTE: This sale must be an arms-length transaction. No commission will be approved for the listing agent, if he/she is a family member of the seller. Commission for the buyer's agent will be granted.**
- ☐ Using the attached **Calculation of Improvements Credit Request Form**, list requested Allowed Improvements made to the property, with the cost of each item shown **AND** documentation of the costs (receipts, cancelled checks, ratified contracts, signed invoices, etc.). For those improvements requiring a building permit, a copy of the building permit(s). **NOTE: Submit this request at least 21 days before settlement.**

*By signing below, I certify that all the attached information is complete and accurate to the best of my knowledge. I certify that any improvements claimed are true and accurate.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SHARED PROFIT CALCULATION REQUEST FORM INSTRUCTIONS**  
**Requesting a Shared Profit Calculation**  
**For Owners of MPDUs after the Control Period Has Expired**

**Introduction**

After the control period has expired on an MPDU, the owner may sell it on the open market at a fair market price. As part of an MPDU owner's initial agreement with the MPDU Program, the MPDU owner is required to share one-half of the "Excess Windfall Profit" with Montgomery County. This Excess Windfall Profit is the amount of appreciation in the value of the MPDU that exceeds the owner's initial purchase price plus:

- a credit for allowable improvements (see attached Calculation of Improvements Credit Request Form);
- an allowance for the increase in, based on the difference in the Consumer Price Index (CPI-U) from when the MPDU was purchased and when it was put on the market;
- the real estate commission (up to 6%) of the sales price; and,
- one-half of the applicable transfer taxes and one-half of the recordation charges, up to a limit of 1.1% of the sales price.

The payment made to Montgomery County is called the Shared Profit. This money is used to finance and produce new affordable housing in Montgomery County for other low- and moderate-income families. Montgomery County and the Housing Opportunities Commission (HOC) also have the right to match the proposed fair market sales price, but at this time, Montgomery County is not purchasing MPDUs and HOC rarely purchases resale MPDUs.

**Steps to Follow**

When an owner sells their MPDU after the controls have expired, the owner must figure out how much of a Shared Profit is owed to Montgomery County by following these steps:

**Step 1 – Send Shared Profit Request, including Calculation of Improvements Credit form and attach copy of the first page of the sales contract**

Send by email, fax, or regular mail a completed copy of the Shared Profit Calculation Request Form and the Calculation of Improvements Credit Request Form (if the MPDU owner is requesting credits for improvements to the MPDU). Attach a copy of the first page of the signed Sales Contract.

**NOTE: No credits to the buyer for closing cost assistance, for repairs or other are acceptable. If given, the seller will pay for them.**

**NOTE: This sale must be an arms-length transaction. No commission will be approved for the listing agent, if he/she is a family member of the seller. Commission for the buyer's agent will be granted.**

**NOTE: Submit this request at least 21 days before settlement.**

Send this to:

MPDU Program Attn: Shared Profit Calculation  
Department of Housing and Community Affairs  
1401 Rockville Pike, Fourth Floor  
Rockville, MD 20852  
Fax: 240-777-3691  
Email: [mpdu.intake@montgomerycountymd.gov](mailto:mpdu.intake@montgomerycountymd.gov)

**Step 2 – The MPDU Program office sends to the MPDU owner the Shared Profit Calculation, and sends copies to the Real Estate Agent and Settlement Agent listed on the Share Profit Calculation Request Form**

**Please allow at least 21 days before settlement for this calculation.**

**Step 3: Settlement Company sends a check for the Shared Profit payment to Montgomery County**

The Settlement Company must send a check for the Shared Profit Payment and make the check payable to Montgomery County, Maryland. The check should be sent to:

MPDU Program  
Department of Housing and Community Affairs  
1401 Rockville Pike, Fourth Floor  
Rockville, MD 20852  
Attn: Shared Profit Calculation

If the funds are to be wired, the Settlement Company should send an email to [mpdu.intake@montgomerycountymd.gov](mailto:mpdu.intake@montgomerycountymd.gov) for wiring instructions. However, the MPDU office prefers that Shared Profits are paid by check whenever possible.

### **Example Showing How the Shared Profit is Calculated:**

The method used to calculate the Shared Profit owed to the County is set by the Executive Regulations governing the MPDU Program. The following example shows how the Shared Profit is calculated. The example assumes an initial purchase price of \$65,000 in 1995, and a current market sales price of \$200,000:

Initial Acquisition Price in 1995	\$65,000
Increase in CPI* (56% increase between 1995 and today)	\$36,530
Documented Capital Improvements	\$5,000
Real Estate Commission** (6% of sales price)	\$12,000
½ of Transfer Tax & Recording Fee (1.1% of sales price)	\$2,200
<b>MPDU Base Price</b>	<b>\$120,730</b>

<b>Fair Market Sales Price</b> (as shown on sales contract)	<b>\$200,000</b>
Less: MPDU Base Price (from above)	\$120,730
<b>Excess Profit</b> (the Difference Between MPDU Base Price and the Fair Market Sales Price)	<b>\$79,270</b>

Share of Excess Profit to Owner (50%)	\$39,635
Share of Excess Profit to County (50%)	\$39,635

<b>Total Proceeds to Seller</b> (available to pay off existing mortgage, real estate commission, home equity loan, etc.):	<b>\$160,365</b>
<b>Total Shared Profit to County</b> (to be used to produce new affordable housing):	<b>\$39,635</b>

- \* CPI – the Consumer Price Index, a measure of inflation; this number will vary depending on the length of time you own the MPDU. The number shown above is only an example.
- \*\* Credit for a Real Estate commission may only be given if the buyer and seller use licensed, third-party Real Estate Agents. No commission will be approved for the listing agent if he/she is a family member of the seller.

<https://mcgov.sharepoint.com/teams/DHCA/Housing/Affordable/Shared Documents/Admin/Forms/Resale Forms/Shared Profit Calculation Request 2020.docx>